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**Before the
FEDERAL COMMUNICATIONS COMMISSION**
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

In the Matter of)
)
Amendment of the Commission's Rules) WT Docket No. 95-157
Regarding a Plan for Sharing the) RM-8643
Costs of Microwave Relocation)

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REPLY COMMENTS OF AT&T WIRELESS SERVICES, INC.

AT&T Wireless Services, Inc. ("AT&T") hereby submits its reply comments on the Further Notice of Proposed Rule Making adopted in conjunction with the Commission's First Report and Order in the above-captioned proceeding.¹

AT&T urges the Commission to adopt its proposal to permit microwave incumbent participation in the cost-sharing plan adopted in the First Report and Order. As a number of commenters point out, this measure would benefit both microwave incumbents and PCS licensees and would serve the Commission's goals of expediting the provision of PCS services and promoting competition in the markets for wireless and other telecommunications services.

Expanding the cost sharing rules would help provide certainty for incumbents, especially those in rural areas where PCS deployment has not yet commenced.² Self-relocation would provide the means by which the incumbent could plan its move and

¹ Amendment of the Commission's Rules Regarding a Plan for Sharing the Cost of Microwave Relocation, First Report and Order and Further Notice Proposed Rule Making, WT Docket 95-157, RM-8643. FCC No. 96-196 (rel. April 30, 1996) ("Further Notice").

² See UTC Comments at 6; East River Electric Power Cooperative Comments at 4.

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anticipate costs which may be reimbursed in the future. In addition, participation by incumbents would accommodate their desire to accomplish whole system change-outs without extinguishing their ability to obtain reimbursement for links that may not need to be moved immediately.³ The Commission recognized that it is unreasonable to expect a PCS licensee to pay to relocate all of an incumbent user's microwave links when that particular licensee may only potentially cause interference to a subset of the microwave links.⁴ Thus, as various microwave licensees explain, self-relocation would permit incumbents to avoid having to relocate slivers of their systems on a piecemeal basis by providing for a reimbursement mechanism in the future for those links that are not the subject of a relocation request today. It would also obviate the need for simultaneous negotiations with numerous PCS licensees.⁵

Expanding the cost-sharing rules to include incumbents also is beneficial to the PCS industry. While PCS licensees are, of course, interested in keeping the costs of relocation to a minimum, they also want the ability to begin deploying their systems as rapidly as possible. Allowing incumbents to participate in cost sharing will provide significant motivation for incumbents to relocate sooner, rather than later.⁶ Under the current

³ See UTC Comments at 6; Williams Wireless, Inc. Comments at 7-8; Association of American Railroads Comments at 2; Santee Cooper Comments at 2-3.

⁴ Further Notice at ¶¶ 35-38.

⁵ See East River Comments at 8. The Commission should reject the proposal of the American Petroleum Institute ("API") to exclude depreciation from its cost-sharing formula when incumbents relocate their own links. See API Comments at 10-11. API has provided no persuasive reason to treat self-relocating incumbents differently than PCS licensees for purposes of cost sharing.

⁶ See Cellular Telephone Industry Association Comments at 7; UTC Comments at 6.

voluntary/mandatory negotiation timetable, there is no obligation imposed on incumbents to even come to the table for three years and there is very little incentive for them to strike a deal until they are sure of reimbursement for all their links. In addition, today's rules create an incentive for microwave incumbents to continue to use facilities that they may be ready to abandon or change so that they can maintain their eligibility for reimbursement. Any proposal to expedite the relocation process is welcome.

AT&T believes the benefits of expanding the cost-sharing mechanism to include incumbents far outweigh the danger cited by some commenters that incumbents will abuse the reimbursement process. The opportunity for incumbents to "goldplate" their systems or fail to minimize costs is practically foreclosed by the Commission's prior adoption of caps on reimbursement for the costs of moving individual microwave links. Moreover, as Western Wireless points out, even under the two-party negotiated system in place today, many incumbents are receiving more than the \$250,000 limit on reimbursable expenses. Finally, incumbents that move their own links take the risk that reimbursement rights will never be triggered for these links by an incoming PCS provider. This should provide a significant incentive to keep costs to a minimum.

CONCLUSION

For the foregoing reasons, the Commission should permit microwave incumbent participation in its cost-sharing plan.

Respectfully submitted,

AT&T WIRELESS SERVICES, INC.

Cathleen A. Massey / by SFS

Cathleen A. Massey
Vice President - External Affairs
1150 Connecticut Avenue, N.W.
Fourth Floor
Washington, D.C. 20036
202/223-9222

Howard J. Symons
Sara F. Seidman
Mintz, Levin, Cohn, Ferris,
Glovsky and Popeo, P.C.
701 Pennsylvania Avenue, N.W.
Suite 900
Washington, D.C. 20004

Of Counsel

June 7, 1996

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CERTIFICATE OF SERVICE

I, Rowena Y. Holt, a secretary with the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., do hereby certify that on this 7th day of June, 1996, I caused a copy of the foregoing "Reply Comments of A&T Wireless Services, Inc." to be sent by first-class mail, postage prepaid, or to be delivered by messenger (*) to the following:

***Michele C. Farquhar**
Chief
Wireless Telecommunications Bureau
Federal Communications Commission
Room 5002
2025 M Street, N.W.
Washington, D.C. 20554

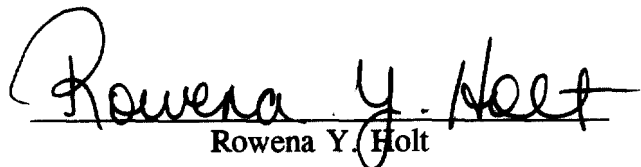
***David Furth**
Chief
Commercial Wireless Division
Federal Communications Commission
Room 7002
2025 M Street, N.W.
Washington, D.C. 20554

***Karen Brinkman**
Associate Bureau Chief
Wireless Telecommunications Bureau
Federal Communications Commission
Room 5002
2025 M Street, N.W.
Washington, D.C. 20554

***Sandra Danner**
Chief, Legal Branch
Commercial Wireless Division
Federal Communications Commission
Room 5202
2025 M Street, N.W.
Washington, D.C. 20554

***Jennifer Warren**
Senior Legal Advisor
Wireless Telecommunications Bureau
Federal Communications Commission
Room 5002
2025 M Street, N.W.
Washington, D.C. 20554

***Mike Hamra**
Legal Branch
Commercial Wireless Division
Federal Communications Commission
Room 5202
2025 M Street, N.W.
Washington, D.C. 20554


Rowena Y. Holt